

Mr. WELLSTONE. I thank the Chair.

#### THE BUDGET AND MEDICARE

Mr. WELLSTONE. Mr. President, first of all, I thought I might just respond very briefly to my colleagues about the budget and specifically about Medicare.

Mr. President, let me just simply say that the most fundamental problem about the proposed cuts in Medicare and Medicaid, up to about \$400 billion between now and 2002, is that these cuts reflect, I fear, a real lack of knowledge about health care policy. That is what bothers me more than anything else, Mr. President.

Mr. President, no one should be surprised about the increase in the cost of Medicare, which, by the way, is a benefits program. It is not an actuarial program. It is a commitment we made in 1965; by no means perfect. Catastrophic expenses are not covered, prescription drug costs are not covered. There are many gaps.

But, Mr. President, the reason that this is an expensive program and the reason the expense increases is because more and more of our population are aging and more and more of the aged population are now in their eighties.

Obviously, we are not going to be able to do anything about that, and I do not think we want to do anything about that.

The second reason is general inflation.

The third is medical inflation.

Mr. President, the problem with this proposal is you cannot single out one part of the health care costs, one segment of the population and cut there without very serious consequences.

Let me spell out a couple. First of all, you do ration. This time we really do ration. Last year, last Congress, there was a hue and cry about rationing when we wanted to have universal coverage. You are going to ration by age, you are going to ration by income, and you are going to ration by disability.

Mr. President, that is what happens when you just pick out one part of the health care costs and you target the elderly and you target low income, and I want to talk about Medicaid as well.

Second of all, the reason the business community, the larger businesses—and I think they are going to get joined by other businesses as well—are going to be uniformly opposed to this—and we are already hearing from the business community—is because it is just going to get shifted to them. This is the problem of charge shifting, I say to my colleague, of cost shifting. This is the shell game to this whole proposition.

When you pay less than what the providers need, when you do not have adequate reimbursement, which is already too low in rural America, those providers have no other choice but to shift it to those who can pay. That is private health insurance. Then businesses are hurt more. Then employees are hurt

more. That is what is going to happen. And more people get dropped. You are going to have a huge amount of cost shifting. You cannot single out one segment of the population. You cannot do it. Welcome to health care reform. That is what we have to get back to.

Mr. President, third of all, in rural America, in rural Minnesota, many of our hospitals and clinics have 75 percent of their patient mix financed by Medicare payments. These hospitals are already having a difficult time. They are going to go under. It is not crying wolf; that is what is going to happen. That is exactly what is going to happen, Mr. President.

Fourth of all, and there are a lot of "alls," but there is another issue I want to talk about as well. But fourth of all, I smile when I hear some of my colleagues make these proposals about vouchers; people can go out and purchase their own health insurance and people have the freedom to do so. Has anybody ever heard of preexisting condition? Do you think that these health insurance companies are going to grant coverage to people who are old and sick? They do not do that. It is called preexisting condition.

By the way, managed care plans, by and large, have been most interested in people that are healthier. I am telling you right now, these cuts—they say they are not cuts—are in relation to an ever-growing percentage of the population who are aged, many who require ever more by way of medical care. I will tell you what, if it is my father and mother—both of them had Parkinson's disease—you better believe I want to make sure they get the best care. So do not tell me you are not going to seriously cut into the quality of care for older Americans. You certainly are.

In addition, you are going to cause a lot of havoc in this whole health care system. Just ask doctors, hospitals, clinics, all sorts of consumer organizations, all sorts of other people whether or not that will not be the case.

So, Mr. President, the irony is we get back to health care reform. There were some very interesting proposals about how to contain costs which we have to do if we are willing to have the courage to go forward. But this just picks out one segment of the population, and, in that sense, it is not intended but I think it will be very cruel in its effect. I do not think it is an intended effect. And it will create widespread havoc in the health care field. No question about it. From where do you think the teaching hospitals are going to get their funding?

#### FARM BILL

Mr. WELLSTONE. Mr. President, to shift, I want to talk about this 1995 farm bill, and I want to talk about what has come out of the Budget Committee.

I thought we were going to have a farm bill as opposed to just drastic budget cuts. The document that comes

out of the Senate proposes cuts of \$28 billion over 5 years and \$45 billion over 7 years. A fair percentage of these cuts, the majority of these cuts are in nutrition programs—food stamps, Women, Infants and Children Program, School Lunch Program.

By the way, my colleagues in the Senate have gone on record that we will not take any action to create more hunger or homelessness among children. We had studies in the mid- and late 1960's about hunger in America, TV documentaries. That is when we expanded the Food Stamp Program.

Guess what? You bet it was a program that worked. I am not going to let anybody get away with talking about fraud here and fraud there. Yes, there are examples of fraud, no question about it, which should be stopped, but on the whole, this Food Stamp Program has made a gigantic difference in reducing hunger and malnutrition in the United States of America.

Now we want to have drastic cuts in the Food Stamp Program, Women, Infants, and Children Program, and, in addition, you go after the deficiency payments, the target prices, I say to the Chair, for farmers.

The farmers in Minnesota are real clear. We took a big hit last time around on deficit reduction, and people in agriculture in my State are not opposed to deficit reduction, but they want to see some standard of fairness. What family farmers say in Minnesota is, "If you give us a price in the marketplace, you can eliminate the target prices, you can eliminate the deficiency payments."

But if we do not have a fair price in the marketplace and you have drastic cuts in deficiency payments, you will erode family farm income, you will erode the value of the land and just as sure as that happens, we will see family farmers go under.

This is simply unacceptable. If you want to raise the loan rate to a higher level, if you want to give us a fair price in the marketplace, great, that is what people want. But instead what we have had is a policy of low prices which, by definition—correct me—means target price deficiency payments are higher, then that is now used as an excuse for cutting these programs, when we have already taken one hit after another.

The future for agriculture in this country is a fair price in the marketplace. The future for agriculture is let us put value to our products. In Minnesota, we lead the Nation with farmer-owned value-added farm co-ops. That is a big part of what people want to do. But we are not interested in not getting the fair price in the marketplace, not having access to capital to move forward with our own cooperatives, not being able to keep the value of what we produce in our communities and, in addition, seeing severe cuts in programs that provide needed income to family farms. That is what these budget cuts do, Mr. President. That is what these budget cuts do.